

## ***Title : Safaricom FY26 Results***

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In this week's newsletter, we cover Safaricom FY26, Stanbic Kenya Q1 26, and the revived Kenyan MTN market featuring I&M Bank's Tier 2 note and KMRC's sustainability bond.

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## **Safaricom FY26: Record Kenya Earnings and Ethiopia's Inflection**

**Group Scale Flows Into Kenya Strength:** Safaricom's group service revenue rose 11.5% YoY to KES 414.1B, crossing the KES 400B mark for the first time and extending a long-term service revenue curve that has grown roughly 5.2x from KES 80.3B in FY10, implying a 10.8% CAGR over the period. Reported PAT rose 61.0% to KES 73.7B, profit attributable to equity holders increased 37.0% to KES 95.6B, EBITDA rose to KES 220.3B and the EBITDA margin expanded to 51.5% from 44.3%, while EBIT margin improved to 34.2% from 26.8%, showing that the FY26 story was not just topline growth but better conversion of revenue into operating profit as Kenya continued to compound and Ethiopia losses narrowed.

## Safaricom Full Year Financial Results Track Record

KES M																
Period	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Trend
End of Period	Mar 12	Mar 13	Mar 14	Mar 15	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23	Mar 24	Mar 25	Mar 26	
<b>Total Revenues</b>	107,483	124,486	146,164	163,941	195,917	215,396	234,227	250,954	258,699	254,519	298,077	310,905	349,447	388,688	427,559	
YoY Growth	13.3%	15.8%	17.4%	12.2%	19.5%	9.9%	8.7%	7.1%	3.1%	-1.6%	17.1%	4.3%	12.4%	11.2%	10.0%	
<b>EBITDA</b>	37,503	49,247	60,943	71,176	83,070	103,610	112,830	124,300	138,042	134,129	149,062	139,862	163,293	172,150	220,262	
YoY Growth	5.0%	31.3%	23.7%	16.8%	16.7%	24.7%	8.9%	10.2%	11.1%	-2.8%	11.1%	-6.2%	16.8%	5.4%	27.9%	
<b>EBIT</b>	17,342	27,100	35,150	45,620	55,120	70,380	79,270	88,970	101,494	96,165	109,129	84,997	80,345	104,050	146,322	
YoY Growth	6.2%	56.3%	29.7%	29.8%	20.8%	27.7%	12.6%	12.2%	14.1%	-5.3%	13.5%	-22.1%	-5.5%	29.5%	40.6%	
<b>Profit Before Tax</b>	17,374	25,450	34,990	46,150	55,760	70,630	79,810	91,220	105,773	96,635	102,213	88,345	84,687	93,211	126,818	
YoY Growth	-5.4%	46.5%	37.5%	31.9%	20.8%	26.7%	13.0%	14.3%	16.0%	-8.6%	5.8%	-13.6%	-4.1%	10.1%	36.1%	
<b>Profit After Tax</b>	12,634	17,542	23,022	31,876	38,100	48,440	55,290	98,130	73,658	68,676	67,496	52,483	42,658	45,757	73,676	
YoY Growth	-4.0%	38.8%	31.2%	38.5%	19.5%	27.1%	14.1%	77.5%	-24.9%	-6.8%	-1.7%	-22.2%	-15.7%	7.3%	61.0%	
<b>Profit After Tax (Ex-Minority int)</b>										68,676	69,648	62,269	62,992	69,799	95,609	
YoY Growth										1.4%	-10.6%	1.2%	10.8%	37.0%		
<b>Total Assets</b>	121,900	128,860	134,600	156,958	159,182	167,440	189,430	192,480	213,225	230,629	346,798	509,207	641,164	515,284	518,045	
YoY Growth	7.1%	5.7%	4.5%	16.6%	1.4%	5.2%	13.1%	1.6%	10.8%	8.2%	50.4%	46.8%	25.9%	-19.6%	0.5%	
<b>Operating Expenses</b>	32,705	31,770	31,892	36,040	41,261	44,929	50,636	53,590	47,560	46,035	55,187	74,085	83,300	104,311	98,864	
YoY Growth	10.3%	-2.9%	0.4%	13.0%	14.5%	8.9%	12.7%	5.8%	-11.3%	-3.2%	19.9%	34.2%	12.4%	25.2%	-5.2%	
<b>FY End Share Price</b>	3.20	6.00	12.35	17.05	16.90	18.00	31.00	27.55	26.45	36.25	34.15	18.10	17.75	18.35	27.50	
YoY Growth	-15.8%	87.5%	105.8%	38.1%	-0.9%	6.5%	72.2%	-11.1%	-4.0%	37.1%	-5.8%	-47.0%	-1.9%	3.4%	49.9%	
<b>Total DPS (excludes special)</b>	0.22	0.31	0.47	0.64	0.76	0.97	1.10	1.25	1.40	1.37	1.39	1.20	1.20	1.20	2	
YoY Growth	10.0%	40.9%	51.6%	36.2%	18.8%	27.6%	13.4%	13.6%	12.0%	-2.1%	1.5%	-13.7%	0.0%	0.0%	66.7%	
<b>EPS</b>	0.32	0.44	0.57	0.80	0.95	1.21	1.38	1.56	1.84	1.71	1.74	1.55	1.57	1.74	2.4	
YoY Growth	-3.9%	37.5%	29.5%	40.4%	18.8%	27.4%	14.0%	13.0%	17.9%	-7.1%	1.8%	-10.9%	1.3%	10.8%	37.9%	

	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Trend
<b>Service Revenues</b>	68,957	77,334	84,321	87,412	90,878	93,461	95,646	95,940	86,530	82,552	83,212	81,054	79,510	81,900	84,830	
YoY Growth	8.6%	12.1%	9.0%	3.7%	4.0%	2.8%	2.3%	0.3%	-9.8%	-4.6%	0.8%	-2.6%	-1.9%	3.0%	3.6%	
<b>M-Pesa Revenues</b>	16,873	21,842	26,563	32,634	41,571	55,086	62,917	74,990	84,438	82,647	107,692	117,192	139,910	161,100	182,742	
YoY Growth	43.2%	29.4%	21.6%	22.9%	27.4%	32.5%	14.2%	19.2%	12.6%	-2.1%	30.3%	8.8%	19.4%	15.1%	13.4%	
<b>Data</b>	5,223	6,621	9,317	14,829	21,159	29,336	36,365	38,690	40,158	44,793	48,441	53,952	63,240	78,500	92,460	
YoY Growth	-2.8%	26.8%	40.7%	59.2%	42.7%	38.6%	24.0%	6.4%	3.8%	11.5%	8.1%	11.4%	17.2%	24.1%	17.8%	
<b>Messaging</b>	7,767	10,153	13,626	15,634	16,680	17,330	17,721	17,500	15,404	13,602	10,877	11,376	12,280	12,480	11,000	
YoY Growth	3.0%	30.7%	34.2%	14.7%	6.7%	3.9%	2.3%	-1.2%	-12.0%	-11.7%	-20.0%	4.6%	8.0%	1.6%	-11.9%	
<b>Other Revenue</b>	1,372	2,103	4,541	5,744	7,492	8,900	11,893	12,653	15,719	40,431	47,856	47,331	54,507	54,708	56,527	
YoY Growth	51624.2%	53.4%	115.9%	26.5%	30.4%	18.8%	33.6%	6.4%	24.2%	157.2%	18.4%	-1.1%	15.2%	0.4%	3.3%	
<b>Total Revenues</b>	100,192	118,054	138,369	156,254	177,781	204,114	224,542	239,773	242,248	264,027	298,078	295,692	335,353	371,415	414,137	
YoY Growth	13.6%	17.8%	17.2%	12.9%	13.8%	14.8%	10.0%	6.8%	1.0%	9.0%	12.9%	-0.8%	13.4%	10.8%	11.5%	

Some Key Ratios	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Trend
<b>EBITDA Margins</b>	34.9%	39.6%	41.7%	43.4%	42.4%	48.1%	48.2%	49.5%	53.4%	52.7%	50.0%	45.0%	46.7%	44.3%	51.5%	
<b>EBIT Margins</b>	16.1%	21.8%	24.0%	27.8%	28.1%	32.7%	33.8%	35.5%	39.2%	37.8%	36.6%	27.3%	23.0%	26.8%	34.2%	
<b>Net Profit Margins</b>	11.8%	14.1%	15.8%	19.4%	19.4%	22.5%	23.6%	28.5%	27.0%	27.0%	22.6%	16.9%	12.2%	11.8%	17.2%	
<b>Dividend PayOut Ratio</b>	68.8%	70.5%	82.5%	80.0%	80.0%	80.2%	79.7%	80.1%	76.1%	80.1%	79.9%	77.4%	76.4%	69.0%	83.3%	
<b>Operating Expense ratio</b>	30.4%	25.5%	21.8%	22.0%	21.1%	20.9%	21.6%	21.4%	18.4%	18.1%	18.5%	23.8%	23.8%	26.8%	23.1%	
<b>P/E (End Year)</b>	10.0	13.6	21.7	21.3	17.8	14.9	22.5	17.7	14.4	21.2	19.6	11.7	11.3	10.5	11.5	

**M-PESA Deepens Financial Services Dominance:** M-PESA remains the clearest structural growth story inside Safaricom, with revenue up 13.4% to a record KES 182.7B, equivalent to USD 1.42B at KES 129/USD, and up from just KES 2.9B in FY09, implying a 28% long-term CAGR. M-PESA now accounts for 43% of total Safaricom revenue from 9% in FY10, and 45.6% of Kenya service revenue from 44.2% in FY25, showing that the business is increasingly shifting from a telecom-led model to a financial services and platform-led model. Consumer payments grew 18.4% to KES 74.6B, business payments rose 16.5% to KES 56.7B, merchants expanded 71.0% to 3.1M, Pochi tills grew 81.5% to 2.1M, credit customers doubled to 18M, and wealth AUM crossed KES 21B, with Ziidi Trader adding a capital markets layer to the ecosystem.

## M-PESA revenues as percentage of total Safaricom revenues

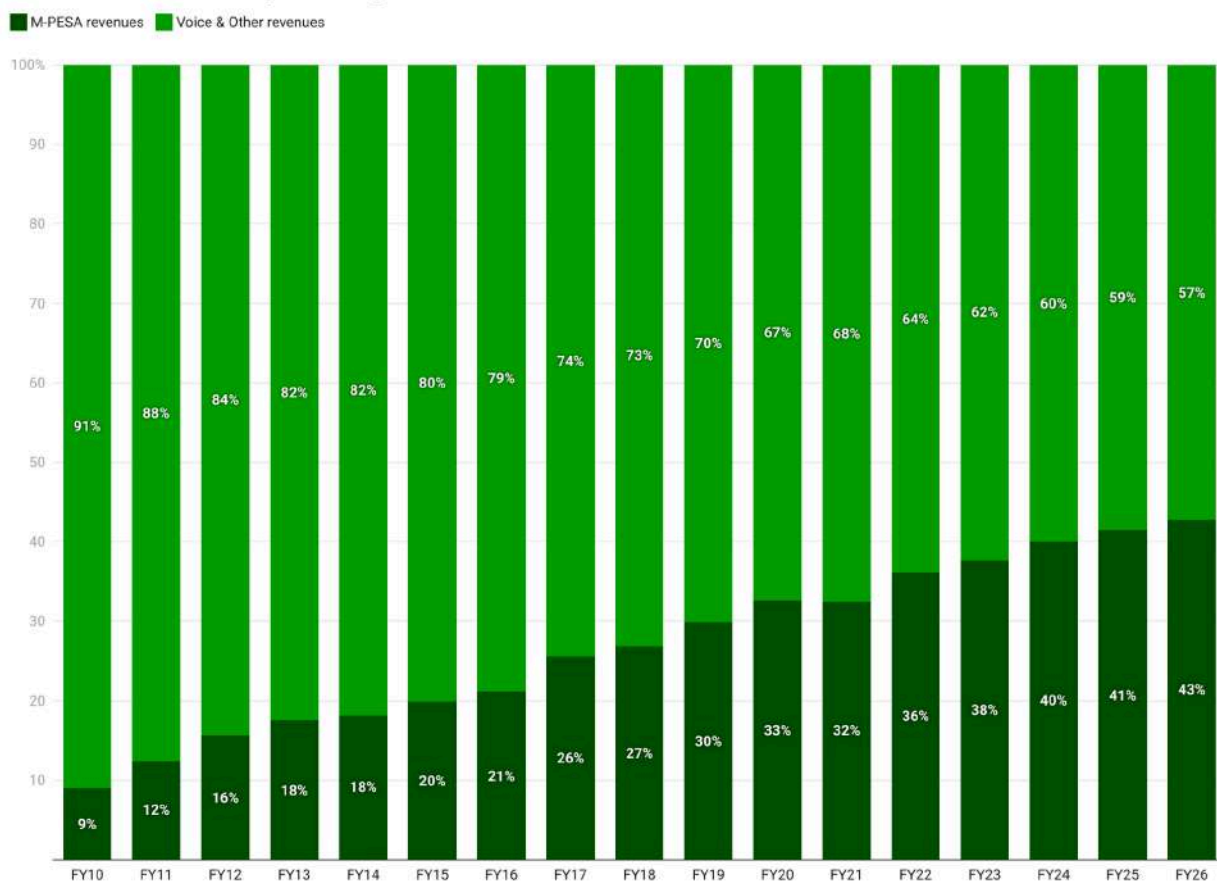


Chart: Mwangi Capital • Source: Safaricom PLC • Created with Datawrapper

**Ethiopia Moves From Drag to Inflection:** Ethiopia is the main swing factor in Safaricom’s FY26 earnings story, with service revenue up 58.3% excluding IAS 29 impact to KES 14.1B, 90-day active customers up 54.2% to 13.6M and one-month active customers up 48.3% to 10.8M, while mobile data remained the core revenue line and voice revenue more than doubled as monetisation improved. The H2 loss trajectory is the key signal: EBITDA losses narrowed from about KES 12.5B in H1 to KES 2.7B in H2 after pricing actions and clearer cost-of-service regulation, giving management a stronger basis to guide for Ethiopia EBITDA break-even in FY27. That changes the market debate from whether Ethiopia remains a permanent drag to how quickly it can become a credible second growth engine.

**Dividend Reset Prices in Ethiopia Relief:** The dividend is the strongest capital allocation signal in the print, with the Board proposing a final DPS of KES 1.15, taking FY26 DPS to a record KES 2.00 from KES 1.20 in FY25, up 66.7% YoY, and total dividends to a record KES 80.1B. At EPS of KES 2.40, the dividend implies a payout ratio of 83.3%, while at a share price of KES 30.05 it implies a trailing dividend yield of

6.7%, making the dividend reset both an income story and a signal of management confidence in cash generation. With FY27 guidance pointing to group EBIT of KES 180B–187B, lower capex of KES 64B–70B and Ethiopia EBITDA break-even, Safaricom is effectively telling the market that Kenya’s cash engine can support higher shareholder returns while Ethiopia absorbs less capital and contributes less earnings leakage.

### Safaricom Dividend Track Record [KES]

■ Special ■ Interim ■ Final

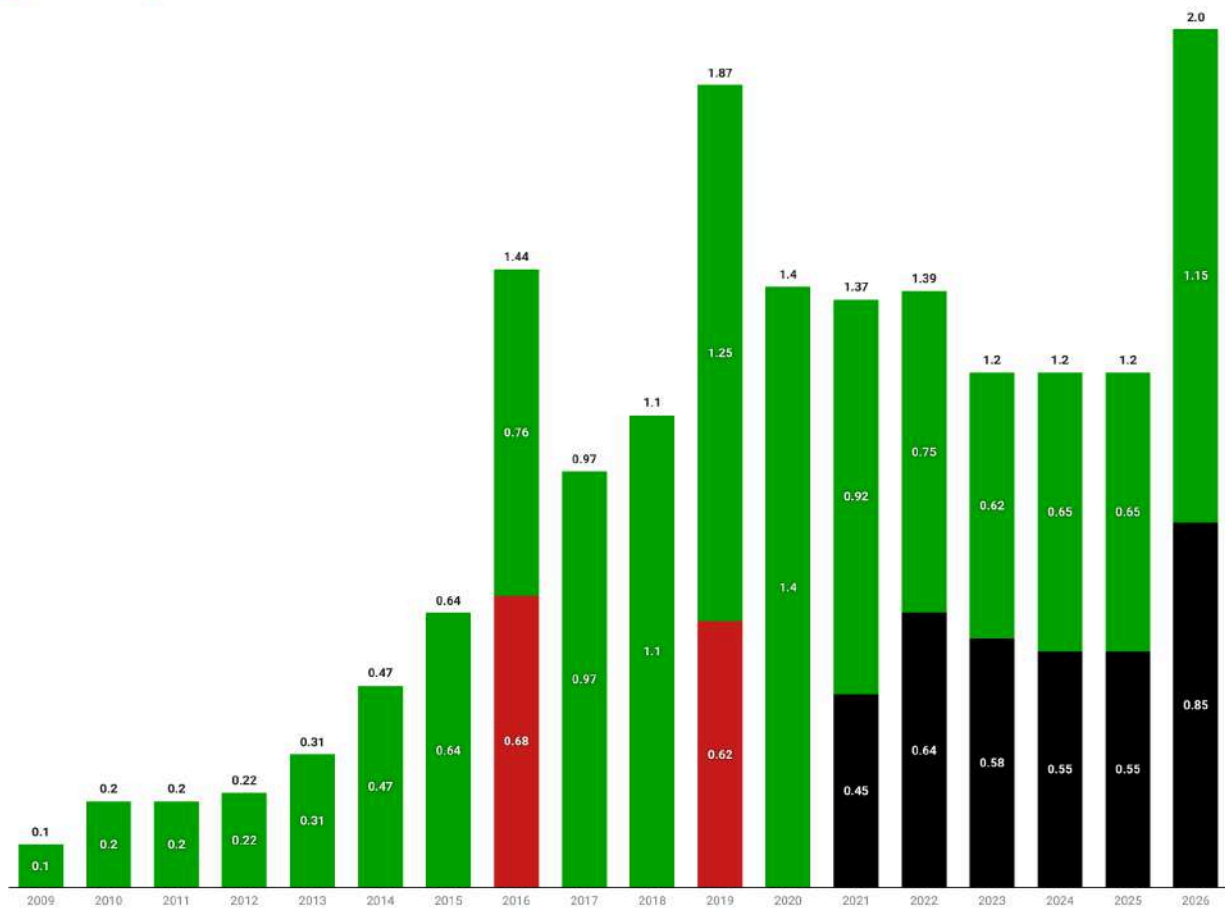


Chart: Mwangi Capital • Source: Safaricom Financials • Created with Datawrapper

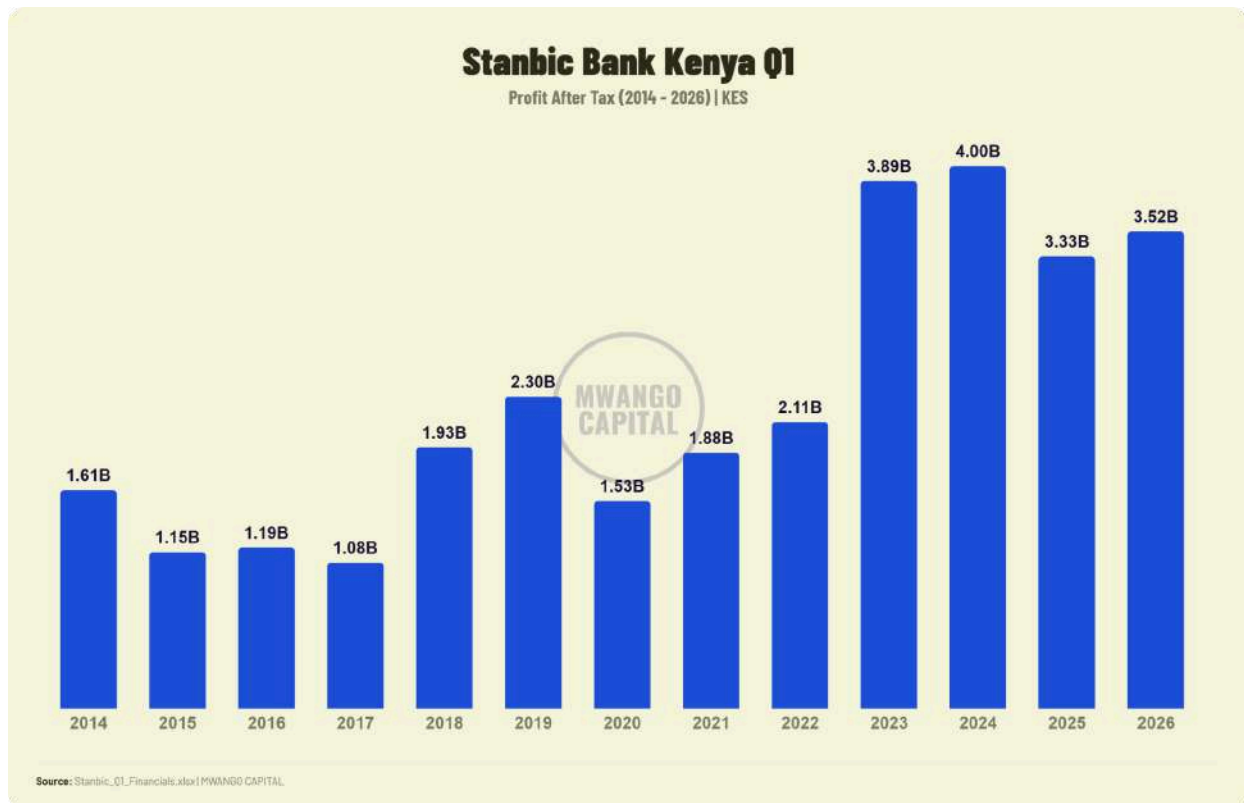
## Stanbic Kenya Q1 26: Margin Expansion Offsets Softer Fee Income

THE MWANGO CAPITAL SNAPSHOT											
Stanbic Q1 Financials (KES)	Q1 2026	Q1 2025	Q1 2024	Q1 2023	Q1 2022	Growth YoY	Q1 2026	Q1 2025	Q1 2024	Q1 2023	Q1 2022
Total Interest Income	11.53B	11.01B	12.09B	7.86B	5.27B	Total Interest Income	+4.7%	-8.9%	+53.9%	+49.1%	+9.5%
Total Interest Expenses	3.96B	4.23B	5.61B	2.44B	1.53B	Total Interest Expenses	-6.4%	-24.6%	+130.2%	+59.7%	-5.2%
Net Interest Income	7.57B	6.78B	6.48B	5.42B	3.74B	Net Interest Income	+11.7%	+4.6%	+19.6%	+44.7%	+16.9%
Total Non-Interest Income	2.38B	2.76B	3.79B	5.74B	3.03B	Total Non-Interest Income	-13.7%	-27.2%	-34.0%	+89.3%	+9.6%
Total Operating Income	9.95B	9.54B	10.27B	11.15B	6.77B	Total Operating Income	+4.3%	-7.1%	-8.0%	+64.7%	+13.5%
Profit Before Tax	4.92B	4.08B	5.47B	5.49B	2.93B	Profit Before Tax	+20.5%	-25.3%	-0.5%	+87.8%	+13.7%
Profit After Tax	3.52B	3.33B	4.00B	3.89B	2.11B	Profit After Tax	+5.5%	-16.6%	+2.8%	+84.3%	+12.0%
Gross NPLs	23.31B	22.94B	24.21B	29.29B	24.56B	Gross NPLs	+1.6%	-5.3%	-17.3%	+19.3%	-7.1%
Customer Deposits	411.00B	337.63B	355.54B	291.01B	235.11B	Customer Deposits	+21.7%	-5.0%	+22.2%	+23.8%	+3.7%
Net Loans	258.16B	244.01B	255.78B	230.27B	206.46B	Net Loans	+5.8%	-4.6%	+11.1%	+11.5%	+30.7%
Total Assets	551.72B	450.13B	491.50B	391.60B	331.02B	Total Assets	+22.6%	-8.4%	+25.5%	+18.3%	+4.4%
EPS	20.61	19.54	23.43	22.81	12.37	EPS	+5.5%	-16.6%	+2.7%	+84.4%	+12.0%

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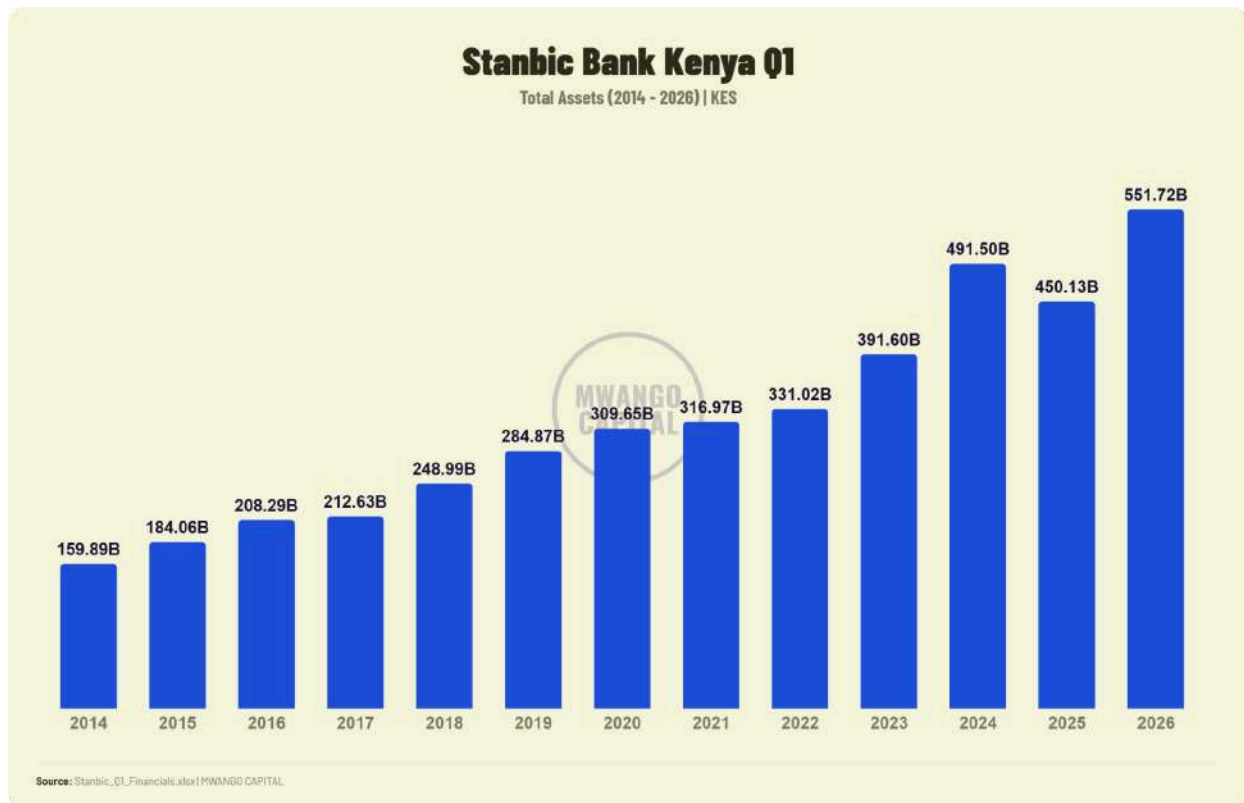
**Sector reporting opener:** Stanbic Bank Kenya kicked off the Kenyan banking sector Q1 2026 reporting season as the first bank to release results, providing the first read-through on bank earnings ahead of Equity Group and Co-operative Bank next week. The headline was not just PAT growth of 5.5% YoY to KES 3.52B, but the quality of the operating performance underneath it: net interest income rose 11.7% YoY to KES 7.57B, outpacing total operating income growth of 4.3% to KES 9.95B, while PBT rose a stronger 20.5% to KES 4.92B. That points to a bank still extracting value from its funded book, with the gap between PBT and PAT growth suggesting that tax, rather

than core operating weakness, was the main drag below the pre-tax line.



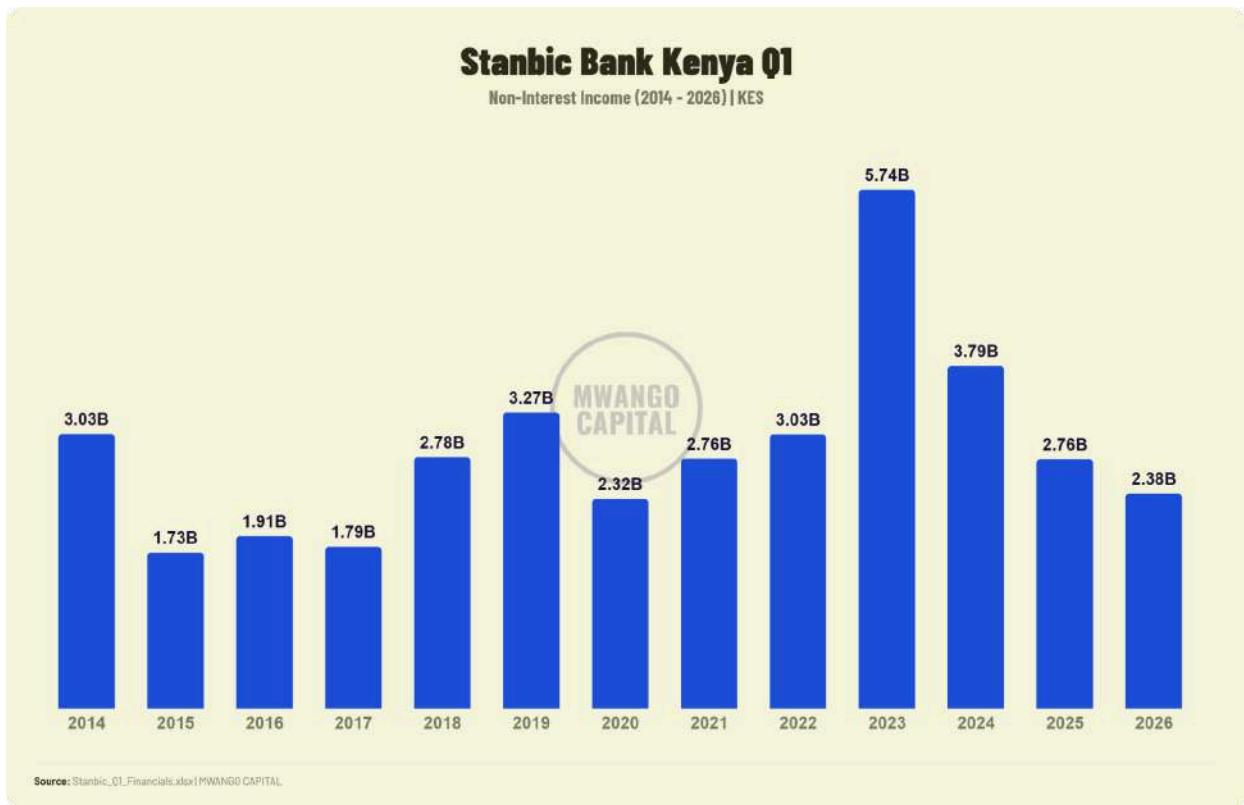
**Deposit-led balance sheet expansion:** Stanbic's balance sheet crossed KES 550B, with total assets up 22.6% YoY to KES 551.72B, supported by customer deposits rising 21.7% to KES 411.00B. Net loans grew a more modest 5.8% to KES 258.16B, meaning deposit mobilisation materially outpaced loan deployment. That is a useful signal in the current cycle: Stanbic appears to be preserving liquidity and optionality rather than forcing risk asset growth in a market where private-sector credit demand and asset quality remain uneven. The bank now has a larger funding base, a conservative loan-to-deposit profile and room to deploy liquidity if credit conditions

improve, while still protecting margins through balance sheet discipline.



**Asset quality resilience, but fee income softness:** Asset quality remained relatively contained, with gross NPLs up only 1.6% YoY to KES 23.31B, slower than loan growth and far below the pace of deposit and asset expansion. That suggests credit stress formation remained manageable in Q1, helping the bank convert modest revenue growth into much stronger pre-tax profit growth. The pressure point was non-interest income, which fell 13.7% YoY to KES 2.38B, dragging total income growth below the pace of funded income. The broader read is that Stanbic delivered a defensible quarter: stronger margins, controlled credit risk and balance sheet growth offset softer fees,

with EPS improving to KES 20.61 from KES 19.54.



Upcoming Q1 2026 earnings release:

Q1 26 TENTATIVE CALENDAR					MAY 2026
MON	TUE	WED	THU	FRI	
				1	
4	5	6 	7 	8	
11	12	13 	14 	15	
18	19 	20 	21 	22 	
25 	26 	27 	28	29 	

# Revived Kenyan MTN Market: I&M Bank Tier 2 Note and KMRC Sustainability Bond

**I&M Bank MTN structure and terms:** After Safaricom and EABL's successful MTN issuances in late 2025, I&M Bank has launched Tranche 1 of its KES 20B, 3-year Medium Term Note programme, seeking to raise up to KES 13B through a 5.5-year Tier 2 subordinated fixed-rate note priced at a 12.2% annual coupon, paid semi-annually. The base tranche is KES 10B with a 30% green shoe option, while the minimum success threshold is KES 5B. The offer closes on 15 May 2026, settles on 18 May, and lists on the NSE on 21 May, with the first coupon due on 16 November 2026. The note ranks below depositors and senior creditors but above shareholders in a resolution scenario, with the structure approved by both the CMA and NSE and overseen by a trustee representing noteholder interests.

Management framed the MTN primarily as a capital optimisation and continuity tool rather than a liquidity raise, replacing and augmenting subordinated capital ahead of the IFC USD 50M facility maturing in March 2028 while preserving room for future loan-book growth. Pricing was benchmarked against the government yield curve plus a credit spread, with the recent EABL 5-year bond at 11.8% used as a market reference, while the higher I&M coupon reflects the longer 5.5-year tenor and subordinated structure. Proceeds will support lending across corporate, retail and business banking, giving I&M longer-tenor fixed-rate funding instead of relying predominantly on short-term deposits. We hosted David Ngata, Group CFO at I&M Bank, and Laban Githuki, Director at SIB, last week on #MwangoSpaces to unpack the note and investor implications in detail. You can relisten here: [insert link].

**KMRC sustainability bond:** Beyond I&M, Kenya Mortgage Refinance Company is also in the market with a KES 3B Sustainability Fixed Rate Note, Tranche 2 under its KES 10.5B programme, following successful MTN issuances by Safaricom and East African Breweries Limited in late 2025. The note offers a fixed return of 12.20% p.a., expected to be tax-exempt subject to KRA confirmation, which could structurally enhance net investor yield. It is an 8-year amortising note with a weighted average life of about 5.1 years, scheduled annual principal repayments and 100% of proceeds allocated to refinancing eligible green and social housing assets. The instrument is unsecured but unsubordinated, ranking pari passu with KMRC's senior obligations and therefore sitting above subordinated bank capital in the risk hierarchy. Minimum investment is KES 100,000 in multiples of KES 100,000, widening access beyond institutions, and

the offer runs from 28 April to 12 May 2026, with settlement on 21 May and NSE listing targeted for 25 May.

## Comparing the I&M and KMRC Corporate Bonds

Figures in KES

	I&M	KMRC
Programme Amount:	20,000,000,000	10,500,000,000
Tranche No:	1	2
Tranche Amount:	10,000,000,000	3,000,000,000
Tenor:	5.6 years	5.11 years*
Coupon:	12.2% semi-annual	12.2% semi-annual
Taxation:	Interest subject to 15% WHT	Interest subject to 15% WHT**
Seniority:	Unsecured Subordinated	Unsecured Unsubordinated
Principal Redemption:	At Maturity	Amortization Repayment
Arranger & Placing Agent:	Standard Investment Bank	NCBA Investment Bank
Minimum Subscription Amount:	500,000	100,000
Offer Open:	30-Apr-2026	28-Apr-2026
Offer Close:	15-May-2026	12-May-2026
Listing:	21-May-2026	25-May-2026

\*Legal maturity is 8 years, but effective maturity is 5.11 years due to principal amortization / \*\*KMRC has applied for a tax exemption which awaits KRA approval  
Table: Mwangi Capital • Source: Information Memoranda • Created with Datawrapper

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## Markets in Brief

**NSE Week 19 Highlights:** The NASI rose 2.10% to 209.7 during the week ending 8 May, with market capitalization increasing 2.10% to KES 3.48T. Equity turnover surged 90.7% to KES 4.37B, while bond turnover declined 32.2% to KES 22.29B. Foreign investors recorded net sales of KES 751.2M for the week. Shri Krishna Overseas was the top gainer, rising 16.4% to KES 10.20, while Flame Tree was the top loser, falling 12.1% to KES 1.88. The NSE 20 Share Index rose 0.42% to 3,532.7 and the NSE 25 Shareholders Index increased 0.58% to 5,700.7, while the Banking Sector Index fell

1.74% to 232.02.

The Mwango Capital Weekly Market Wrap					
Week 19 (1 to 8 May 2026)					
NSE Top Gainers & Losers in Week 19					
Top Gainers					
Ticker	1 May	8 May	Change (%)	YTD %	
Shri Krishna Overseas Ltd	SKL	8.76	10.20	16.4%	25.00%
Crown Paints Kenya	CRWN	56.50	63.25	11.9%	16.06%
Car and General Kenya	CGEN	73.00	80.25	9.9%	57.35%
Sazini Tea and Coffee	SASN	28.50	28.50	9.6%	59.66%
Safaricom PLC	SCOM	28.70	32.20	8.4%	13.58%
Top Losers					
Ticker	1 May	8 May	Change (%)	YTD %	
Flame Tree Group Holdings	FTGH	2.14	1.86	-12.1%	19.75%
Abba Bank Kenya	ABSA	30.50	28.10	-7.9%	13.77%
Kenya Airways Limited	KQ	6.50	6.10	-6.2%	72.80%
Co-operative Bank of Kenya	COOP	31.30	29.40	-6.1%	22.76%
Nation Media Group	NNG	13.95	13.15	-5.7%	13.65%
The NSE This Week					
	Week 18	Week 19	Change (%)	YTD %	
NSE All Share Index	NASI	206.3	209.7	2.10%	12.36%
NSE 20 Share Index	NSE 20	3,547.5	3,532.7	-0.42%	12.53%
NSE 10 Share Index	NSE 10	2,134.9	2,148.3	0.63%	9.32%
NSE 25 Share Index	NSE 25	5,608.0	5,700.7	0.58%	11.85%
Banking Sector Index	Banking Index	236.12	222.02	-1.74%	13.93%
Market Cap (KES B)	CAP	3,405.3	3,476.9	2.10%	18.08%
Volume (M)		58.9	112.9		91.7%
Equity Turnover (Kes. Mn)		2,292.00	4,371.00		90.7%
Bond Turnover (Kes. Mn)		32,876.05	22,285.15		-32.2%
Domestic Debt					
7 May Offering (KES B)	Offered	Bids Received	Accepted	% Accepted	% performance
91-Day	4.00	9.74	9.73	99.93%	243.53%
182-Day	10.00	14.52	14.52	100.00%	345.17%
364-Day	10.00	5.16	5.16	100.00%	51.59%
T-Bill Yield (%)	1 May	7 May	Change (bps)		
91-Day	8.04	8.19	15.0		
182-Day	8.21	8.21	-0.1		
364-Day	8.51	8.51	0.1		
NSE Upcoming Corporate Actions					
Date	Corporate	Corporate Action			
15 May 2026	Starbic	Final Div Books Closure (KES 18.55)			
19 May 2026	Abba	Final Div Payment (KES 1.85)			
21 May 2026	NSE	Final Div Books Closure (KES 1.00)			
21 May 2026	SCBK	Final Div Payment (KES 23.00)			
21 May 2026	I&M	Final Div Payment (KES 2.25)			
22 May 2026	Equity	Final Div Books Closure (KES 6.75)			
22 May 2026	DTB	Final Div Books Closure (KES 9.00)			
26 May 2026	NCBA	Final Div Books Closure (KES 4.60)			
29 May 2026	Kakuci	Final Div Books Closure (KES 16.00)			
31 May 2026	B.O.C	Final Div Books Closure (KES 10.35)			
NSE Foreign Participation in Week 19					
KES (M)	Buys	Sales	Net		
Mon, 4 May 2026	547.1	529.3	17.7		
Tue, 5 May 2026	27.0	162.0	-134.9		
Wed, 6 May 2026	552.5	774.5	-222.0		
Thu, 7 May 2026	214.3	541.9	-327.6		
Fri, 8 May 2026	68.9	153.2	-84.4		
Totals	1,409.7	2,160.9	-751.2		
Week 19	AMOUNT (KES M)	%			
Total Foreign Turnover	1,785.34	40.85%			
Total Local Turnover	2,585.66	59.15%			
Eurobond Yields					
KES (M)	1-May	7-May	7D Change (bps)		
10-Year 2028	7.39%	7.24%	-15.0		
6-Year 2031	7.98%	7.52%	-46.0		
12-Year 2032	8.34%	7.89%	-49.0		
13-Year 2034	8.69%	8.26%	-43.0		
30-Year 2048	9.27%	8.94%	-33.0		
Sources: NSE, Central Bank of Kenya					
@MwangoCapital					

**Treasury Bills:** The government raised KES 29.41B in the treasury bills auction dated 11 May 2026, accepting all bids received against an offer of KES 24B. The 91-day bill attracted KES 9.74B in bids (243.54% performance rate) at a weighted average rate of 8.1895%, up from 8.0398% in the previous auction. The 182-day bill received KES 14.52B in bids (145.18% performance rate) at 8.2100%, marginally down from 8.2115%, while the 364-day bill attracted KES 5.16B (51.60% performance rate) at 8.5145%, slightly up from 8.5133%.

**Treasury Bonds:** The government raised KES 94.04B in the treasury bonds auction dated 11 May 2026, accepting all bids received against an offer of KES 80B, representing a performance rate of 132.52%. The FXD1/2012/020 bond (maturing 1 November 2032, 12.0% coupon) attracted KES 47.95B in bids (59.93% performance rate) at a weighted average rate of 12.4655%. The FXD1/2019/020 bond (maturing 21 March 2039, 12.873% coupon) received KES 17.57B in bids (21.97% performance rate) at 13.3141%, while the FXD1/2021/025 bond (maturing 9 April 2046, 13.924%

coupon) attracted KES 40.50B (50.62% performance rate) at 13.7660%.



**A. RESULTS FOR RE-OPENED TREASURY BONDS ISSUE NOS. FXD1/2012/020, FXD1/2019/020 AND FXD1/2021/025 DATED 11/05/2026**

The auction outcome is summarised in the table below.


TENOR	FXD1/2012/020	FXD1/2019/020	FXD1/2021/025	
ISINS	KE4000003949	KE5000009984	KE7000003652	
Due Dates	01/11/2032	21/03/2039	09/04/2046	
<b>Total Amount Offered (Kshs. M)</b>				<b>80,000.00</b>
<b>Total bids Received at cost (Kshs. M)</b>	<b>47,947.93</b>	<b>17,573.92</b>	<b>40,496.64</b>	<b>106,018.49</b>
<b>Performance Rate (%)</b>	<b>59.93</b>	<b>21.97</b>	<b>50.62</b>	<b>132.52</b>
<b>Amount Accepted (Kshs. M)</b>	<b>47,529.93</b>	<b>14,539.36</b>	<b>31,974.52</b>	<b>94,043.81</b>
Of which - Competitive bids	40,080.41	7,463.35	27,063.00	74,606.76
- Non-competitive bids	7,449.52	7,076.01	4,911.52	19,437.05
Bid-to-Cover Ratio	1.01	1.21	1.27	1.13
Market Weighted Average Rate (%)	12.4655	13.3141	13.7660	
Weighted Average Rate of Accepted Bids (%)	12.4573	13.2126	13.6949	
Price per Kshs 100 at average yield	98.0026	99.1289	101.8136	
Coupon Rate (%)	12.0000	12.8730	13.9240	
Purpose/ Application of funds:				
Redemptions				57,134.55
New Borrowing/Net Repayment				36,909.26


## Market Gleanings

| **Kenya-Tanzania Target USD 100M Barrier Removal** | The Kenya-Tanzania Business Forum reinforced a shift toward private sector-led integration, with investors signaling that capital will only flow to bankable, well-structured projects. KCB CEO Paul Rusco disclosed around [USD 520M](#) (approximately KES 67.6B) deployed across four Tanzania-linked transactions spanning cement, construction, and logistics, while Amsons Group highlighted its approximately USD 300M (around KES 39.0B) Bamburi Cement acquisition, 69% stake in East African Portland Cement, and approximately USD 250M (around KES 32.5B) clinker plant as evidence of cross-border industrial scaling. KEPSA and TPSF pointed to non-tariff barriers, standards misalignment, border delays, and overlapping taxes as the main constraints despite a combined economic base exceeding USD 200B (around KES 26.0T).


President William Ruto said EAC trade rose 25% to around USD 156B (approximately KES 20.3T) in 2025, though intra-regional trade remains low at around USD 19.3B (approximately KES 2.5T), and confirmed Kenya-Tanzania trade fell to around USD 860M (approximately KES 111.8B) with around USD 100M (approximately KES 13.0B) lost to non-tariff barriers, which both countries aim to eliminate by end-May 2026. The forum advanced integration through an MoU between chambers, feasibility work on a Tanzania-Mombasa gas pipeline, and targets of USD 500M (around KES 65.0B) in new

investments and USD 1B (around KES 130.0B) in trade, with President Samia Suluhu Hassan reiterating a model where around 70% of development is driven by the private sector.


 | **Dangote Eyes Mombasa for USD 15B Oil Refinery** | Nigerian billionaire Aliko Dangote is looking at Kenya as the site of a [650,000-barrel-a-day](#) oil refinery that he intends to build in East Africa, leaning more towards Mombasa because it has a much larger, deeper port than Tanzania's Tanga. Dangote estimated it would cost USD 15B to USD 17B to build the refinery and said the decision rests with President William Ruto, adding "whatever President Ruto says is what I'll do." The comments come after President Ruto said last month that East African countries were discussing plans for a joint oil refinery at the Tanzanian port of Tanga modeled on Nigeria's Dangote operation. Dangote compared Kenya's Mombasa to Tanzania's Tanga port, noting "Kenyans consume more. It's a bigger economy." East Africa currently imports all of its refined petroleum products, mainly from the Middle East, leaving the region vulnerable to the supply disruptions and price spikes seen during the U.S.-Israeli war on Iran.


 | **Court Awards KES 1.4B to Inventor in Safaricom Copyright Case** | The High Court has ordered Safaricom to pay [KES 1.4B](#) in damages to Peter Nthei Muoki and Beluga Limited for copyright infringement after finding that Safaricom unlawfully copied Muoki's "M-TEEN MOBILE WALLET USSD CODE" to create its "Manage Child Account" product. The court ruled that Safaricom developed and launched its parent-child control functionality after Muoki pitched his idea to Safaricom executives between March and June 2021, rejecting Safaricom's defense that it had independently conceived the product through a 2020 engagement with Huawei.

The court ruled that the damages amount represents 1% of Safaricom's M-PESA revenue for FY2024 (KES 140.01B), which was the first full financial year during which Safaricom's product was operational. The court also awarded Muoki an ongoing royalty of 0.5% of future M-PESA revenues for as long as Safaricom continues to operate the "Manage Child Account", "M-PESA Go", or any substantially similar parent-child control functionality, commencing from FY2025. The court noted that M-PESA revenue stood at KES 82.65B in FY2021 prior to Muoki's disclosure, rose 30% to KES 107.69B in FY2022 following the disclosure, increased to KES 117.19B in FY2023 after the November 2022 launch, and reached KES 140.01B in FY2024.

 | **Flame Tree Posts Loss Despite 18% EBITDA Growth** | Flame Tree Group Holdings posted a loss after tax of [KES 15.9M](#) in FY2025 compared to a profit of KES

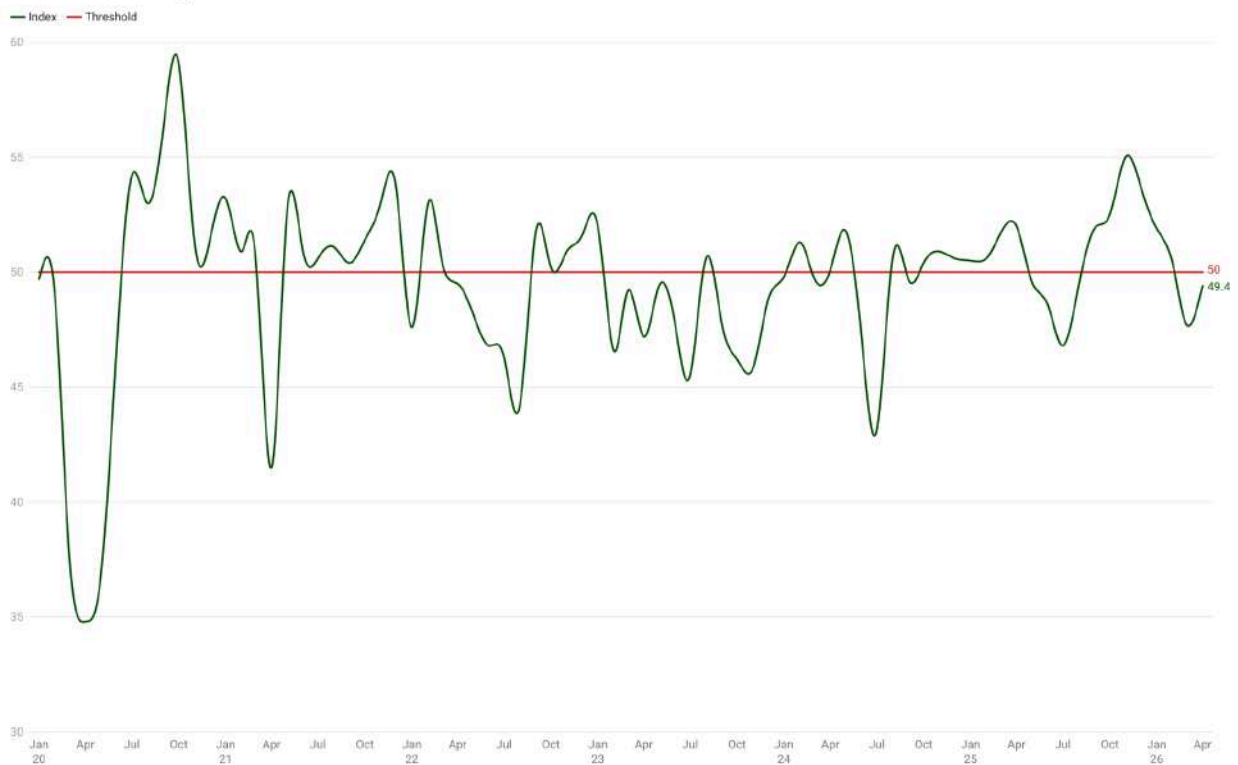
201.9M in FY2024, though the prior year included a one-off insurance income of KES 293.6M. On an adjusted basis, the net loss narrowed from KES 91.7M in FY2024 to KES 15.9M in FY2025. Revenue rose 1.5% to KES 4.23B, while gross profit increased 9.8% to KES 1.60B as the group expanded gross margins to 38% through disciplined pricing strategies and cost optimization. Adjusted EBITDA grew 18.0% to KES 384.5M, while finance costs declined 9.3% to KES 307.0M. Total assets increased 20.6% to KES 4.50B, with total equity rising 25.2% to KES 1.53B, supported by strategic investments in production capacity across its core packaging and FMCG divisions. Total borrowings rose 3.7% to KES 1.32B. The company did not recommend a dividend.

 | **Airtel Africa Profit Surges 147% as Customer Base Hits 183.5M** | Airtel Africa delivered a strong performance for the year ended 31 March 2026, with reported revenue growing 29.5% to [USD 6.42B](#) and profit after tax surging 147.4% to USD 813M. The growth was underpinned by a record expansion of the total customer base to 183.5 million (up 10.5%) and the continued scaling of Airtel Money to 54.1 million users (up 21.3%). Underlying EBITDA grew 37.2% to USD 3.16B, with margins reaching 49.3% and peaking at an all-time high of 50.3% in the final quarter, driven by disciplined operational execution and cost efficiencies. Operating profit rose 45.1% to USD 2.12B, while profit before tax more than doubled, increasing 114.5% to USD 1.42B. Total assets increased 16.1% to USD 13.96B, with total equity rising 25.7% to USD 3.49B, while net debt grew 4.2% to USD 5.59B. Capex increased 31.9% to USD 884M. Basic earnings per share jumped 212.2% to 18.6 cents, and the company raised its total dividend by 9.2% to 7.1 cents.

 | **Stanbic Bank Kenya PMI Holds in Contraction as Fuel Costs Surge** | The Stanbic Bank Kenya PMI stood at [49.4](#) in April, up from 47.7 in March but below the 50.0 neutral threshold for the second consecutive month, signaling a continued contraction in business conditions. Lower levels of new business were associated with a tapering of customer spending due to rising prices, mostly driven by increased fuel costs linked to the conflict in the Middle East, though the overall rate of decline in sales eased markedly from March and was only marginal. April data signaled a rapid intensification of input cost pressures across the Kenyan private sector, with the overall rate of cost inflation soaring to its highest level since December 2023, as around 18% of survey respondents reported a month-on-month rise in expenses. Elevated costs were typically passed on to clients through increased output charges, with the overall pace of inflation also climbing to its highest since late-2023.

Inventory levels rose to the greatest extent in 2026 so far after falling in March, as companies feared an increase in shortages and further price rises, resulting in greater efforts to build input reserves. Staff numbers increased for the fifteenth consecutive month, with survey members often citing casual hires to support ongoing projects and business expansion efforts, while business confidence slipped for the third month in a row but remained positive overall, with approximately 18% of panelists forecasting an expansion in output over the next 12 months.


#### Stanbic Bank Kenya PMI



PMI: Purchasing Managers Index  
Chart: Mwangi Capital • Source: Stanbic Bank • Created with Datawrapper

**⚖️ RBA Rejects Extension Request in Standard Chartered Pension Dispute |** The Retirement Benefits Authority has declined a [request](#) by lawyers representing the Standard Chartered Kenya Pension Fund for more time to respond to a complaint filed by four claimants, ordering submissions within 14 days to avoid further delays. In a letter dated 28 April, the regulator said it had considered a request by Hamilton Harrison and Mathews, acting for the pension fund, for a 30-day extension but found the timeline unjustified given the time already elapsed since the initial correspondence. The dispute involves a complaint lodged by Davies Kajogu, Lawrence Aswani, Paul Wanyoike, and Ian Amogola against the pension scheme. The law firm had argued that the complexity and scope of new allegations required more time to compile a comprehensive response, noting that some of the allegations relate to actions that

took place as far back as 1970. The lawyers had requested until 22 May to submit further responses, citing the need to uphold their client's right to a fair hearing.

 | **KCB, Centum RE Launch 8.9% Fixed-Rate Mortgage Partnership** | KCB Bank Kenya and Centum RE have unveiled a [partnership](#) offering a discounted mortgage rate of 8.9%, fixed for the life of the loan for up to 25 years under the KMRC-backed mortgage scheme. The partnership focuses on framing home ownership in terms of affordable monthly payments rather than headline prices, with a KES 2.5M studio estimated at around KES 20,809 per month over 25 years, a KES 5M one-bedroom at about KES 41,618, and a KES 10M unit at about KES 83,236.

 | **Kenya Re Seeks Consultant for Asset Management Subsidiary Study** | Kenya Reinsurance Corporation is inviting [proposals](#) from qualified and experienced consulting firms to undertake a comprehensive feasibility study and advisory services for the establishment of an asset management subsidiary. The initiative is part of the corporation's strategic objective to diversify revenue streams, enhance shareholder value, and expand into the financial services sector, specifically in fund and wealth management. The objectives include determining the commercial, financial, and strategic viability of establishing an asset management subsidiary, recommending the optimal market entry strategy, providing transaction advisory services including valuation and acquisition support, aligning recommendations with the corporation's strategic objectives and regulatory requirements, and developing a clear implementation roadmap. Kenya Re is 60% owned by the government and 40% listed on the Nairobi Securities Exchange, with operations in Kenya, Cote d'Ivoire, Zambia, and Uganda.

 | **Standard Chartered Puts East African Headquarters Up for Sale** | Standard Chartered is putting its East African head office up for [sale](#), a seven-story building on 1.88 acres in a prime area of Nairobi, after disposing of two other properties in Kenya last year. The bank said the sale reflects a strategic property and capital optimization initiative arising from a broader space-efficiency program and does not signal any change in the bank's operating presence or long-term strategic commitment to Kenya. Standard Chartered has been divesting from Africa and the Middle East since April 2022 to focus on its wealth and cross-border transactional businesses, exiting 10 units, including in Zimbabwe, Angola, Jordan, Lebanon, Zambia, and Tanzania, while expanding in North Africa with offices in Egypt and Morocco. The lender said it remains fully committed to the Kenyan market, where it has operated for over 110 years.

 | **NCBA Circulates Nedbank Offer Documents to Shareholders** | NCBA Group has commenced circulation of offer documentation to shareholders following Nedbank Group Limited's partial pro rata offer to acquire approximately [1.09 billion](#) ordinary shares, representing circa 66% of the issued share capital. The offer will open on 28 May 2026 at 9:00 a.m. East African Time and close on 10 July 2026 at 5:00 p.m., with results announced no later than 21 July 2026. Each NCBA shareholder will be entitled to tender up to 66% of their shares, with consideration payable for every 100 NCBA shares comprising 4.02994 Nedbank ordinary shares and KES 2,100 in cash. Shareholders who would receive less than 200 Nedbank shares or are unable to receive Nedbank shares due to regulatory restrictions will receive their full consideration in cash at KES 10,500 per 100 NCBA shares tendered and accepted. NCBA will continue to be listed on the Nairobi Securities Exchange, with approximately 34% of shares retained by the general public upon completion.

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## Chart of the Week

